


JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, NJ 07724
2. Description of Action: This proposed action is to include brand name International Business Machines (IBM) Integrated Facility Linux (IFL) hardware, IBM memory, IBM zSeries Virtual Machine (z/VM) software and associated software maintenance and implementation services in a firm-fixed-price delivery order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Governmentwide Acquisition Contract (GWAC).
3. Description of Supplies or Services: This proposed acquisition is to provide International Business Machines (IBM) Integrated Facility Linux (IFL) hardware, IBM memory, IBM zSeries Virtual Machine (z/VM) software and associated software maintenance and implementation services for the Austin Information Technology Center (AITC) Enterprise Class (EC) 12 Service Center upgrade. The upgrade requires software, software maintenance and implementation services. Specifically, the upgrade to the existing EC 12 Service Center consists of IBM IFL, IBM memory, IBM z/VM software and associated IBM z/VM software maintenance and implementation services for VA, Office of Information and Technology, Service Delivery and Engineering, Enterprise Operations (EO). The aforementioned existing system's software, and implementation services are all required in order for the system to function properly and no other software is interoperable with the existing components and software. The IBM z/VM operating system is a hypervisor that allows creation of virtual servers and controls sharing of the hardware resources used by virtual servers, memory, network, disk etc. The AITC EC 12 Service Center upgrade will provide the additional capacity needed to create additional virtual servers and to support growth of existing virtual servers. The current system is at capacity and cannot support the expected growth for the immediate future. The IBM z/VM operating system with IBM's IFL hardware can virtualize and consolidate hundreds of servers on one mainframe server. The IBM z/VM saves computer memory space, electricity, cables, and prevents server sprawl. The anticipated period of performance is 12 months for software maintenance for IBM z/VM, inclusive of IFL, IBM memory, software delivery, and implementation services. The total estimated price of the proposed action is 

4. Statutory Authority: The statutory authority permitting this exception to fair opportunity is Section 41 U.S.C 4106(c)(2) as implemented by Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B) entitled, "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized."
5. Rationale Supporting Use of Authority Cited: This is a brand name justification in accordance with FAR 11.105, Items Peculiar to One Manufacturer. Based on extensive market research, as described in section 8 of this justification, it was determined that limited competition is available among authorized resellers for the brand name IBM IFL, IBM memory, IBM z/VM software and associated software maintenance. Furthermore, based on this market research, there is no other software that meets VA's requirements. IBM manufactures the only software that meets VA's requirements for creating virtual servers on IBM mainframes, which include the need to consolidate hundreds of servers on one server, conserve computer room space, electricity, cables, and complexity and help prevent server sprawl. In addition, a prior implementation of IBM's integrated facility for Linux, IBM memory, IBM z/VM operating system, and IBM software licenses already exists in EO. No other software is compatible with or interoperable with the existing IBM infrastructure due to IBM's proprietary software interfaces. Moreover, acquisition of a different software, even if another one existed with qualifications that met VA's stated functional requirements, would require a completely separate non-IBM infrastructure to support the existing application due to IBM proprietary database structures, protocols, software application programming interfaces, and different products along with completely separate EO staffing. This would multiply the support costs for the implementation of virtual servers.
6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any other products that can meet the Government's requirements. It was determined, however, that limited competition is viable among authorized resellers of the required products. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action and the justification will be made publicly available on the Federal Business Opportunities Page within 14 days after award. In addition, this justification will be posted with the solicitation to notify all contract awardees.
7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be fully competed.
8. Market Research: Brand name IBM IFL, IBM memory, and IBM z/VM software and associated software maintenance are commercially available

off-the-shelf virtual server packages currently in use at VA. When conducting market research in December 2014, the Government's technical experts reviewed similar software to ascertain whether these items could meet EO's requirements. Specifically, the Government's technical experts reviewed similar software from other companies/organizations, such as VMware, Sun, Oracle, and Kernal Virtual Machine (KVM) in the virtual server area. In addition, the Government's technical experts researched Forrester Research, Gartner Research, and conducted research on virtual server websites and web-based forums related to virtual server software requirements stated in paragraph 5 to identify potential virtual server solutions that could meet the Government's requirements. All of the software researched (VMware, Sun, Oracle, and KVM plus other research firm cited software) were unable to meet the unique functional requirements of adding different software licenses to expand an existing system running on an IBM mainframe. Additionally, no other software is compatible with or interoperable with the existing IBM infrastructure due to IBM proprietary database structures, protocols and software application programming interfaces. This lack of interoperability, such as the ability of a different vendor's agent to communicate with another vendor's source code, is standard throughout the performance software industry. Only IBM software meets all of the Government's requirements.

Additional market research was conducted in February of 2015, by posting a Request for Information (RFI) on the NASA SEWP IV GWAC website. The RFI closed on February 4, 2015, and yielded the following responses: one from Group A, Value Added Resellers (VAR) and Computer Systems Original Equipment Manufacturers; one from Group B, Service-Disabled Veteran-Owned Small Businesses; zero from Group C, Small Businesses; and zero from Group D, VARs.

9. Other Facts: None.

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

David Juarez

Date: _____

Project Manager

Signature: David Juarez
Digitally signed by David Juarez
DN: cn=David Juarez
Date: 2015.04.16 09:50:07 -05'00'

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this DO will be fair and reasonable. Items awarded on NASA SEWP IV GWAC have already been determined to be fair and reasonable. As there are two potential vendors on NASA SEWP IV GWAC, price competition is anticipated. Finally, the successful quote will be compared to the Independent Government Cost Estimate.

Iris Farrell

Date: 4/16/15

Procuring Contracting Officer

Signature: Iris Farrell

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Iris Farrell

Date: 4/16/15

Procuring Contracting Officer

Signature: Iris Farrell

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

For Lea E. Duerinck

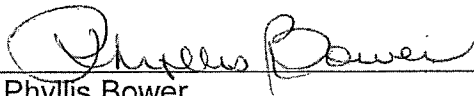
Date: 4/16/2015

Legal Counsel

Signature: Lea E. Duerinck

Approval

Based on the foregoing justification, I approve the acquisition of IBM IFL, memory, and z/VM software and associated maintenance and implementation services in the estimated amount of \$1,153,822.88, on an other than fair opportunity basis pursuant to Section 41 U.S.C 4106(c)(2), subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 4/30/15Signature: 
Phyllis Bower
Head of the Contracting Activity
Office of Acquisition Operations